The Undetected Spy
Edward Bancroft

It is impossible . . . to prevent Being watch’d by Spies.

BENJAMIN FRANKLIN
Charlevois, “Nothing to Hide.”

The Revolutionary War was fought against the backdrop of eighteenth-century European rivalries, particularly the bitter conflict between France and Great Britain. France had lost Canada to Great Britain in the Seven Years’ War and was eager to exploit British conflicts with the colonies to counter the defeat. At the same time, France could not risk another war with Great Britain by openly supporting the American cause. Covert support, however, offered an attractive alternative.

The American colonies sorely needed arms and supplies to fight the King’s Army, and the Continental Congress had established a Committee on Secret Correspondence to seek military assistance and win political support for the colonies among Great Britain’s adversaries in Europe. In December 1775 the French foreign minister dispatched a merchant, Julien de Bonvouloir, to approach Benjamin Franklin about a secret channel between the Continental Congress and France. Bonvouloir and Franklin agreed that, in exchange for American commodities, France would open its ports to American ships and covertly provide arms and military supplies through a front company.¹
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The Continental Congress sent Silas Deane, a Connecticut delegate, to Paris as liaison for the covert effort. Deane had never traveled abroad, spoke no French, and was out of his depth amid the foreign intrigues of Paris. To assist him, Franklin highly recommended Dr. Edward Bancroft, an American-born resident of London who the venerable patriot had befriended and mentored during his years as the colonies’ representative in Britain. Deane, coincidentally, had been Bancroft’s tutor at a Connecticut high school and agreed with Franklin’s suggestion. He sent a letter to Bancroft in London and enlisted the young doctor to assist him in his efforts with the French. Bancroft was also enlisted soon after by British intelligence to spy against America.

The Bancroft spy case was marked by the same elements that would characterize future espionage operations against America. Like other spies to follow, Bancroft professed that he was motivated by purely ideological motives although he was paid handsomely for his information. In a surprisingly revealing letter written on September 17, 1784, he asked the British foreign secretary for payment of compensation due him for his espionage and detailed his motivations and spying activities for Great Britain. He claimed that he had agreed to cooperate primarily to thwart a Franco-American alliance and achieve reconciliation between the Crown and the colonies. Although he emphasized in the letter that he initially sought no compensation, he readily accepted the Crown’s offer of payment. His self-professed ideological motivation was far overshadowed by his subsequent complaints about delayed salary payments in other correspondence. At the time of his recruitment by the British, he was experiencing serious financial difficulties as a result of an unsuccessful business enterprise to sell dyes made from South American tree bark. He was also a notorious gambler and speculator on the London stock market, an issue that would have a considerable impact on his spy career.

Bancroft’s clandestine relationship remained undetected until 1889, when documents detailing his espionage, including the September 1784 letter, were found among papers opened by the British National Archives. Like Benjamin Church and other American spies, Bancroft’s occasionally suspicious activities were largely ignored by his colleagues. He also communicated with his British handlers using clandestine tradecraft methods that other intelligence services have also used throughout history to
collect secrets from American spies. Most curiously, he escaped detection as a spy in his lifetime but he may have been a pawn in a grand American deception of the British by Benjamin Franklin—the answer still remains a mystery today.4

Bancroft was born in Westfield, Massachusetts, in 1745 and moved to Connecticut after his father’s death. Like Benjamin Church, Bancroft was a physician. He worked as a plantation doctor in Dutch Guiana, where he became an expert on the flora and fauna of the region and subsequently wrote an extensive study of its people and its plant and animal life.5 He then returned to London to continue his study of medicine and wrote a political treatise on British relations with the colonies. His work brought him to the attention of Franklin, who sponsored him for membership in the Royal Society. Bancroft later returned to South America to assist in improving crop production at plantations in Suriname owned by Paul Wentworth, a New Hampshire native from a wealthy family who had resettled in Britain. This relationship proved to be a turning point in Bancroft’s life.

Wentworth contacted his old friend Bancroft after British intelligence intercepted Deane’s letter of invitation to the young doctor. A staunch loyalist, Wentworth ran a British spy network targeted against Americans in France, and Bancroft’s new position with Deane could provide a unique opportunity to uncover Franco-American machinations against the Crown. In August 1776 Bancroft met with Wentworth and agreed to spy on America. He eventually signed a contract with the British, which paid him a handsome £500 bonus (roughly $80,000 to $100,000 by today’s standards), a £500 annual salary, and a lifetime £200 annual pension.6

Bancroft shuttled back and forth between London and Paris to meet his American colleagues and British spymasters. On the one hand, he passed Deane tidbits of political information that, though accurate, did little damage to the British cause but enhanced his credibility with his American counterparts. On the other hand, Bancroft provided the Crown with significant inside information about French covert aid to the colonies. Deane not only shared details about French aid with Bancroft but also enlisted him on occasion to interpret for meetings with his French interlocutors and translate French documents.7

As the war progressed, the Continental Congress grew increasingly eager to sign a treaty with France and sent Franklin himself to Paris to
head the American mission accompanied by Arthur Lee, an irascible Virginian who was both a physician and lawyer. Franklin, far more versed in the intricacies of European politics than his colonial counterparts, proved a shrewd master at manipulating the French relationship to America’s advantage (because of his activities in France, Franklin was acknowledged by the Central Intelligence Agency in 1997 as the father of American “covert action”). To stir up French public opinion against Britain, Franklin released forged documents that supposedly proved the British were paying Native Americans for the scalps of Americans murdered in the colonies. In 1778, the British initiated peace overtures to Franklin. His insistence on complete independence scuttled any hope of reconciliation, but he told the French about the overtures and hinted that negotiations to end the war were imminent. If Britain concluded a peace agreement with the colonies, prospects for increased French trade with America would diminish and the British could also turn their guns against France. Franklin hoped his disinformation would persuade France to ally with the colonies as quickly as possible. The ruse worked.

After his arrival in Paris, Franklin increased Bancroft’s involvement with the American commission. Because of these new duties, Bancroft became a treasure trove of intelligence for the British. He was privy to the correspondence of Franklin’s commission with the Continental Congress and the French. He provided the British not only with information about progress on colonial alliances with France and Spain but also with insider knowledge of Franklin’s strategies to move France toward a treaty. He gave the British the identities of colonial spies and the names, cargoes, and travel dates of ships transporting aid from France to the colonies. He also passed copies of several documents, including a draft of the proposed Franco-American treaty. When the final version of the treaty was signed in February 1778, King George III had a copy on his desk two days later, thanks to Bancroft.

Bancroft was such a valuable spy that the British used the full panoply of clandestine tradecraft methods to ensure the security of the operation. French counterspies and foreign agents swarmed around Paris, so the British could only risk direct contact with Bancroft on rare occasions. If French surveillance had spotted Bancroft in touch with anyone even remotely associated with British authorities, the French would have
advised Franklin and possibly compromised the Crown’s best source in France. In addition to clandestine meetings with Wentworth in France, the British resorted to impersonal communications to contact Bancroft, using techniques designed to enable communications between spy and handler without risky face-to-face meetings. These same methods were used by their successors in British MI-6 and the CIA during the Cold War to evade KGB scrutiny in Moscow, and the KGB in turn used them to communicate with their most productive spies in the US government.

Bancroft wrote his messages to British intelligence using both ciphers and secret ink. The encoded messages were written with the secret ink between the lines of “cover letters,” real text on innocuous subjects that would arouse no attention if scrutinized by censors or counterespionage investigators. Bancroft addressed the letters to an alias provided by the British, signed them as “Mr. Edwards,” and wrote boring texts on, ironically, the topic of gallantry.

To transmit his messages Bancroft was instructed to use a “dead drop,” a preselected site known to spy and handler in an obscure location that would attract no attention from a casual observer. Bancroft went every Tuesday night under cover of darkness to a popular Paris park, the Tuileries Garden, where he stuffed his messages into a bottle and inserted them into the deep hollow of a tree. A British intelligence officer later came to the same site and retrieved the bottle by tugging on a piece of twine tied to it. The British officer left any communications in the same bottle for retrieval by Bancroft later the same night. This simple technique, still in use more than two centuries later by intelligence services, apparently worked. There is no indication that Bancroft’s communications with the British were ever discovered.10

Despite these measures, Bancroft was still nervous about detection, so the British took other steps to protect him. He was sent by Franklin and Deane on occasional trips to London to ferret out information, which also provided him the opportunity for face-to-face meetings with his British spymasters. To allay any suspicions about his activities in enemy territory, he continually complained to Franklin and Deane about the risks of going to London. His British handlers also devised a clever scheme to “arrest” him during one of his trips to Britain, allegedly for aiding the colonies. His quick release raised no eyebrows among the
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Americans, and Franklin and Deane instead apologized to him for his “harrowing experience.”

In spite of all these British measures to protect Bancroft, he was still at risk. Although spies are most vulnerable in communications with their handlers, they are also jeopardized when the governments for which they spy act on their information. In Bancroft’s case, the details he provided on the movements of ships with arms and supplies bound for the colonies provided the British ambassador in Paris with accurate data to protest French violations of neutrality. Although several spies operating at ports in France could have supplied the information, the French government suspected a higher-level leak and alerted the Americans that their information was turning up in London. Franklin, however, ignored this warning.

One American, however, did suspect Bancroft. Arthur Lee, the curmudgeonly third member of the Paris legation along with Franklin and Deane, claimed that he had irrefutable evidence that Bancroft had met with British officials when in London. Lee even confronted Bancroft with the accusation, almost provoking a duel. Lee, however, was considered cantankerous and malicious, especially by Franklin. Lee’s information was also poorly sourced, and Bancroft, enraged by the accusation, was easily able to disprove the story. Lee’s allegation was thus dismissed as the grumblings of a misanthrope. Any suspicion of Bancroft was further dispelled when, ironically, Lee’s own secretary was exposed as a British agent. In response to French protests over the case, Lee was eventually recalled to America and Bancroft continued to spy without raising any further suspicion.

Bancroft’s espionage went undiscovered for years, and his reports to the British were “more numerous, more detailed and more accurate than those of any other agent.” Despite this, Bancroft’s spying had little impact, partly because the top British policymaker, King George III himself, was skeptical about the intelligence from his prize agent and refused to act on it. Ironically, Bancroft was held in higher regard by the Americans he betrayed than by the British monarch for whom he spied.

King George was aware that Bancroft was gambling heavily on the London stock market and was concerned that his spy may have been fabricating or, at the very least, embellishing intelligence to line his pockets. Bancroft, in fact, was an active speculator on the market and had even shared the information about the Franco-American treaty with his business partner so they
could sell off stocks before the anticipated plunge in the market. Bancroft, however, was not alone in this “insider trading,” which was common practice among leading patriots. Revolutionary leaders received little or no remuneration and required income to support their families, and ethical restrictions on such practices were years away. As commonplace as the practice may have been, King George was bitterly opposed to it and thus was naturally disinclined to believe a stock-manipulating spy. In a letter to his prime minister, Lord North, the king claimed “no faith can be placed in his [Bancroft’s] intelligence” because the spy was trying to convince the British that the French were close to joining the war on the side of the colonies.14

King George’s skepticism about Bancroft’s reporting resulted as much from ego as from his moral qualms about stock market speculation. The monarch, as one observer wryly noted, was “averse to accepting any information that he deemed unpleasant.”15 He believed intelligence reports that touted British successes but distrusted those that reflected unfavorably on the Crown’s efforts or prospects. The king especially refused to believe that the French would challenge him by signing a treaty with his own colonies, so he dismissed Bancroft’s information as the drivel of a shady stock speculator. And the king was not the only ruler who disregarded intelligence that did not fit the preconceived notions of an overweening ego. Almost two centuries later, a Soviet spy in Japan, Richard Sorge, would receive solid information about a planned Nazi surprise attack against the Soviet Union. Joseph Stalin, who had signed a nonaggression pact with Hitler two years before, refused to believe the Nazi ruler would have the audacity to violate the treaty. He was wrong.

King George III was not the only skeptic about Bancroft’s information. British government officials were also suspicious about his reporting on France’s objectives in considering an alliance with the colonies. Bancroft had reported that France was only interested in increased trade with America and not in recapturing its lost territories in the New World. Even his friend and spy handler, Paul Wentworth, doubted the French would enter an alliance merely for better commercial relations.16 Despite these British doubts, there is no evidence that Bancroft fabricated this or any other intelligence, and letters discovered a century later show that the information he provided to the Crown accurately reflected America’s collaboration with the French.
Despite his accurate reporting, Bancroft ultimately did little damage to the revolutionary cause. Aside from British skepticism about his reporting, the Crown was in many respects powerless to act on the information. Even though the British received detailed information from Bancroft about ships carrying war matériel to America, the seizure or destruction of vessels sailing under the French flag or with French seamen could have sparked a military conflict, and the British were too overstretched to fight battles both in the colonies and in Europe. Also, even though the British were fully informed about Franklin’s progress toward an alliance with France, there was little they could do to stop it. When the British lost the last battle of the war at Yorktown in 1781, almost half the force that defeated them consisted of French troops.17

Franklin was undoubtedly aware of the Crown’s dilemma about a Franco-American alliance. At the same time, he appeared blissfully unaware of Bancroft’s suspicious behavior. Bancroft’s frequent travel to London, his quick release after his alleged arrest, his leaks of information about ship movements, and Lee’s purported evidence about his meetings with British officials were all alarm bells that Franklin ignored. Franklin’s failure to recognize a spy in his midst has been blamed for “one of the most egregious penetrations in the history of espionage.”18 Franklin has also been accused of practicing shoddy security himself, leaving his most sensitive papers lying around for all to see. Franklin, already in his seventies while in Paris, had perhaps grown senile and had been bamboozled by the young British spy: “Of all the dupes of history, surely none can best his record in the Bancroft case.”19

Was Franklin so easily duped? His shrewd diplomacy with the French makes it difficult to believe that he had grown senile. The British ambassador in Paris, exasperated with Franklin’s machinations against the Crown, called him a “veteran of mischief.” Moreover, though Franklin disliked the querulous Lee, he would have hardly disregarded evidence of Bancroft’s meeting British officials in London.

But there is yet another possibility that puts the Bancroft case in a different light. According to some historians, Franklin was well aware that Bancroft was a spy and used him for his own purposes. Franklin hinted at his views about such informants in his midst in a letter to an acquaintance who had warned him to beware of British spies: “I have long observed one
Rule which prevents any Inconvenience from such Practices. It is simply this, to be concern’d in no affairs that I should blush to have made publick, and to do nothing but what Spies may see & welcome. When a Man’s action are just and honourable, the more they are known, the more his Reputation is increas’d and establish’d. If I was sure, therefore, that my Valet de place was a spy, as probably he is, I think I should not discharge him for that, if in other Respects I lik’d him.”

Reading between Franklin’s cryptic lines, as the hypothesis goes, he knew that Bancroft was a spy and, instead of firing him, used him to deceive the British and manipulate the Crown’s policy toward the colonies. The more the British learned about the growing relations between the French and Americans, the more Franklin could foment conflict between the two European nations that might lead to a decreasing number of British forces in the colonies. The more the British knew about French arms deliveries, the more they would realize that the Americans could not be defeated and the more likely they might be to grant independence without further bloodshed. This theory certainly fits Franklin’s penchant for subterfuge, as evidenced in the intentional leaks, forgeries, and fabrications he orchestrated to hamper British efforts against the colonies.

Considering the importance of French support, Franklin may well have decided that it was more valuable to exploit Bancroft than to expose him. As one proponent of this theory put it, “In fact, had Edward Bancroft not existed, Franklin might have had to invent him.” We may never know the truth, but if this hypothesis is accurate, Franklin may have been one of the greatest masters of deception of his time.

Edward Bancroft and Benjamin Church were two civil servants with significant access who betrayed their country by spying for the enemy. The colonial military was also not immune to espionage, and one of its proudest members would embark on a spying career that made his name forever synonymous with treason.